

THIS PRINT COVERS CALENDAR ITEM NO.: 10.6

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Finance and Information Technology

BRIEF DESCRIPTION:

Approving a Second Amendment to Contract No. SFMTA-2023-52: Budget Support, Financial Reconciliation and Procedure Documentation Consulting Services with Equilibrium Collaborative, LLC (Equilibrium Collaborative or Contractor), to retroactively extend the agreement term for an additional nine months until October 23, 2025, with no increase to the Contract amount.

SUMMARY:

- On October 23, 2023, the SFMTA entered into an Agreement with Equilibrium Collaborative for budget support, financial reconciliation and procedure documentation consulting services in the amount of \$499,375, and a term of one year.
- On July 2, 2024, the SFMTA approved the First Amendment to Contract No. SFMTA-2023-52, which extended the term of the Agreement for an additional three months until January 23, 2025, and increased the Contract amount by \$249,650 for a modified Contract amount of \$749,025 to compensate for services during the modified term.
- On January 23, 2025, the term of the Agreement expired, and staff is seeking approval to retroactively extend the Contract for nine additional months to provide additional time for knowledge transfer from Equilibrium Collaborative to SFMTA staff. No increase in the Contract amount is being requested.
- The requested Contract amendment meets the requirements under Administrative Code section 21.5(b) to extend the Contract beyond the original solicitation. As Equilibrium Collaborative provided budget support, financial reconciliation, and procedure documentation services to prepare and enact the FY2024-25 & FY2025-26 budget, they are the sole firm that can respond to inquiries about their work and transfer knowledge attained throughout the course of budget development.

ENCLOSURES:

1. SFMTAB Resolution
2. Contract Amendment

APPROVALS:

DATE

DIRECTOR



March 27, 2025

SECRETARY



March 26, 2025

ASSIGNED SFMTAB CALENDAR DATE: April 1, 2025

PURPOSE

To approve a Second Amendment to Contract No. SFMTA-2023-52: Budget Support, Financial Reconciliation and Procedure Documentation Consulting Services with Equilibrium Collaborative, LLC (Equilibrium Collaborative or Contractor), to retroactively extend the agreement term for an additional nine months until October 23, 2025, with no increase to the Contract amount.

STRATEGIC PLAN GOALS AND TRANSIT-FIRST POLICY PRINCIPLES

This item supports the following Strategic Plan Goals:

Goal 8: Deliver quality projects on-time and on-budget.

Goal 9: Fix things before they break, and modernize systems and infrastructure.

Goal 10: Position the agency for financial success.

DESCRIPTION

On October 23, 2023, the SFMTA entered into an Agreement Equilibrium Collaborative for budget support, financial reconciliation and procedure documentation consulting services in the amount of \$499,375, and a term of one year.

On July 2, 2024, the SFMTA approved the First Amendment to Contract No. SFMTA-2023-52, which extended the term of the Agreement for an additional three months until January 23, 2025, and increased the Contract amount by \$249,650 for a modified Contract amount of \$749,025 to compensate for services during the modified term of the Agreement.

On January 23, 2025, the term of the Agreement expired. Equilibrium Collaborative stopped work on or before January 23, 2025. SFMTA is now seeking approval to retroactively extend the Contract for nine additional months to provide additional time for knowledge transfer from Equilibrium Collaborative to SFMTA staff. No additional funds are being requested.

The requested Contract amendment meets the requirements under Administrative Code section 21.5(b) to extend the Contract beyond the original solicitation. This extension provides additional time for knowledge transfer of critical information to the SFMTA's Budget & Capital Finance section (BCF), especially Operating Budget staff, as they work to close the projected \$320 million/year operating budget deficit beginning in FY 2026-27. As Equilibrium Collaborative provided budget support, financial reconciliation, and procedure documentation services to prepare and enact the FY2024-25 & FY2025-26 budget, they are the sole firm that can respond to inquiries about their work and transfer knowledge attained throughout the course of budget development.

The original Agreement was competitively procured as required by San Francisco Administrative Code Chapter 21.1 through a Request for Proposals (RFP) issued on July 18, 2023, pursuant to which City selected Contractor as the highest-qualified scorer.

The Local Business Enterprise (LBE) subcontracting participation requirement for this Agreement is 15%. The City and County of San Francisco approved subcontractors Ikeda Consulting LLC and Regional Government Services Authority.

PUBLIC OUTREACH AND STAKEHOLDER ENGAGEMENT

To develop requirements and scope for this Contract, project staff consulted key stakeholders from the BCF within the SFMTA's Finance Division and incorporated divisional business requirements into the scope of work for this Contract.

Public outreach was not done as this Contract provides support directly to SFMTA finance staff and does not interact with the public. These services will not have an impact on the environment or the any adverse impacts to the public.

ALTERNATIVES CONSIDERED

The alternatives to issuing a time extension to Contract No. SFMTA-2023-52 would be for the SFMTA to:

1. Issue an open bid for a new Contractor. However, as Equilibrium Collaborative provided support to prepare and enact the FY2024-25 & FY2025-26 budget, and thus they are the sole firm that can respond to inquiries about their work and transfer knowledge attained during budget development.
2. The SFMTA could choose not to provide a time extension to the Contract with Equilibrium Collaborative. However, the SFMTA would not have the benefit of receiving additional information regarding the work previously performed.

The alternatives to issuing a time extension to Contract No. SFMTA-2023-52 do not meet the SFMTA's need to position the agency for financial success over future budget cycles.

FUNDING IMPACT

The term of the Contract is for an additional nine months until October 23, 2025, with no increase to the Contract amount. The Contract budget is allocated from the SFMTA's Operating Fund.

ENVIRONMENTAL REVIEW

On February 10, 2025, the SFMTA, under authority delegated by the Planning Department, determined that the modification to Contract No. SFMTA 2024-11 is not defined as a "project" under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b).

A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

On July 17, 2023, the Civil Service Commission approved Contract number # 41495-22/23 for Professional Services with Equilibrium Collaborative LLC. The Civil Service Commission later approved Modification No. 1 to Contract No. 41495-22/23 on June 17, 2024.

RECOMMENDATION

Staff recommends that the SFMTA Board of Directors approve a Second Amendment to Contract No. SFMTA-2023-52: Budget Support, Financial Reconciliation and Procedure Documentation Consulting Services with Equilibrium Collaborative, LLC (Equilibrium Collaborative or Contractor), to retroactively extend the agreement term for an additional nine months until October 23, 2025, with no increase to the Contract amount.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS The SFMTA requires budget support, financial reconciliation, and procedure documentation assistance from qualified consultants to address the significant fiscal deficit estimated to reach as much as \$320 million starting in Fiscal Year 2026-27; and,

WHEREAS, The SFMTA awarded Contract No. 2023-52 to Equilibrium Collaborative, LLC (Equilibrium Collaborative or Contractor) on October 23, 2023 for an amount of \$499,345 and a term of one year following a competitive procurement; and,

WHEREAS, The SFMTA amended the Contract to extend the term for three months, expiring on January 23, 2025, and increased the Contract amount by \$249,650 for services provided during the modified term of the Agreement, for a total amount not to exceed of \$749,025; and,

WHEREAS, The Contractor provided the SFMTA's Finance and Information Technology Division with budget support, financial reconciliation, and procedure documentation services; and,

WHEREAS, A retroactive term extension of nine months is necessary to provide knowledge transfer of the previous work performed for the division with budget support, financial reconciliation, and procedure documentation services; and,

WHEREAS, The requested Contract amendment meets the requirements under Administrative Code Sections 21.5(b) to extend the Contract beyond the original solicitation as Contractor is the sole firm that can provide knowledge transfer for the previous work they performed; and,

WHEREAS, On February 10, 2025, the SFMTA, under authority delegated by the Planning Department, determined that the modifications to SFMTA Contract 2023-52 is not defined as a "project" under the California Environmental Quality Act (CEQA) pursuant Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b); and,

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors, and is incorporated herein by reference; now, therefore, be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors approves a Second Amendment to Contract No. SFMTA-2023-52: Budget Support, Financial Reconciliation and Procedure Documentation Consulting Services with Equilibrium Collaborative, LLC (Equilibrium Collaborative or Contractor), to retroactively extend the agreement term for an additional nine months until October 23, 2025, with no increase to the Contract amount.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of April 1, 2025.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

**City and County of San Francisco
Municipal Transportation Agency
One South Van Ness Ave., 7th Floor
San Francisco, California 94103**

Second Amendment

Contract No. SFMTA-2023-52

THIS FIRST AMENDMENT (Amendment) is made as of _____, in San Francisco, California, by and between **Equilibrium Collaborative LLC** (Contractor), and the City and County of San Francisco, a municipal corporation (City), acting by and through its Municipal Transportation Agency (SFMTA).

Recitals

- A. City and Contractor have entered into the Agreement (as defined below).
- B. City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to extend the term of the Agreement for an additional nine months until October 23, 2025, to provide additional time for knowledge transfer from Contractor to SFMTA staff.
- C. The Agreement was competitively procured as required by San Francisco Administrative Code Chapter 21.1 through a Request for Proposals (RFP) issued on July 18, 2023, and this Amendment is consistent with the terms of the RFP and the awarded Agreement.
- D. The SFMTA has determined that this Amendment satisfies the requirements of Administrative Code Section 21.5(b).
- E. This is a contract for Services, there is a Local Business Enterprise (LBE) subcontracting participation requirement, and this Amendment is consistent with that requirement.
- F. Approval for this Amendment was obtained when the City’s Civil Service Commission approved DHRPSC0001628 on June 17, 2024, in the amount of \$749,688 for a period of two years.

NOW, THEREFORE, Contractor and the City agree as follows:

Article 1 Definitions

The following definitions shall apply to this Amendment:

1.1 Agreement. The term “Agreement” shall mean the Agreement dated October 23, 2023, between Contractor and City, as amended by the:

First Amendment, dated July 2, 2024.

1.2 Other Terms. Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

Article 2 Modifications to the Agreement

The Agreement is modified as follows:

2.1 Article 2: Term of the Agreement. Article 2 of the Agreement currently reads as follows:

2.1 The term of this Agreement shall commence on the Effective Date and expire one year and three months from the Effective Date, unless earlier terminated as otherwise provided herein.

Article 2 is amended to read as follows:

2.1 The term of this Agreement shall commence on the Effective Date and expire two years and from the Effective Date, unless earlier terminated as otherwise provided herein.

Article 3 Effective Date

Each of the modifications set forth in Article 2 shall be effective on and after the date of this Amendment.

Article 4 Legal Effect

Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Contractor and City have executed this Amendment as of the date first referenced above.

CITY	CONTRACTOR
San Francisco Municipal Transportation Agency	Equilibrium Collaborative LLC
_____ Julie Kirschbaum Director of Transportation	_____ Patrick Maher Co-Founder
Authorized By:	
Municipal Transportation Agency Board of Directors	
Resolution No: _____	City Supplier Number: 0000049756
Adopted: _____	
Attest: _____ Secretary to the Board	
Approved as to Form:	
David Chiu City Attorney	
By: _____	
Annie Smiddy Deputy City Attorney	

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